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Doctor indicted on manslaughter charges for overdose deaths: Illegally sold prescriptions to 20 patients

BRIDGET G. BRENNAN, New York City's Special Narcotics Prosecutor, NIRAV R. SHAH, M.D., M.P.H., New York State Commissioner of Health, TOM F. O'DONNELL, Special Agent in Charge of the U.S. Office of Inspector General of the Department of Health and Human Services, New York Region, and TONI WEIRAUCH, the Special Agent in Charge of the New York Field Office of the Internal Revenue Service, Criminal Investigation (IRS-CI), announced today a superseding indictment charging STAN XUHUI LI, a physician, with homicide charges and illegal sales of prescriptions for controlled substances, including narcotics, to patients of his Flushing, Queens pain management clinic. LI is charged with illegally prescribing highly addictive painkillers, such as oxycodone, hydrocodone and fentanyl, as well as frequently abused anti-anxiety medications like Xanax.

The new indictment follows a two-year investigation and charges LI with a total of 219 counts, including the two counts of Manslaughter in the Second Degree, three counts of Reckless Endangerment in the First Degree, four counts of Reckless Endangerment in the Second Degrees and 180 counts Criminal Sale of a Prescription for a Controlled Substance. The remaining counts relate to LI's alleged schemes to defraud Medicare and Empire BlueCross BlueShield and to thwart an investigation by the New York State Health Department's Office of Professional Medical Conduct (OPMC), a disciplinary body that oversees physicians.

LI was arrested on the new charges on Tuesday, Nov. 27 at approximately 8 a.m. in Hamilton, N.J. Uniformed police officers with the Hamilton Township Police Department, members of the Hamilton Township Narcotics Division and Special Narcotics investigators stopped LI's vehicle in the vicinity of his residence at 16 Secretario Way, Hamilton, N.J. He waived extradition Mercer County Civil Courthouse yesterday and is scheduled to be arraigned this morning in Manhattan Supreme Court, Part 85, room 621 on the 6th floor, before Judge Michael Sonberg.

A special grand jury heard evidence in this case over the course of a six-month term. The indictment was filed by the Prescription Drug Investigation Unit for the Office of the Special Narcotics Prosecutor, which was formed to combat the illegal proliferation of prescription narcotics by investigating and prosecuting the criminal distribution of these drugs.

LI's treatment of 20 of his patients forms the basis for most of the charges in the new indictment. LI is charged with Manslaughter in the Second Degree for recklessly causing the overdose deaths of JOSEPH HAEG and NICHOLAS RAPPOLD. HAEG and RAPPOLD died within days of receiving a prescription

issued by LI. He faces Reckless Endangerment in the First Degree charges for demonstrating a depraved indifference to human life in connection with three patients, one of whom, KEVIN KINGSLEY, also suffered a fatal overdose two months after receiving his last prescription issued by LI. The Reckless Endangerment in the Second Degree counts allege that LI recklessly created a substantial risk of serious physical injury to four patients, including MICHAEL CORNETTA, who died of an overdose three months after receiving his last prescription from LI. LI is not charged with causing the deaths of KINGSLEY or CORNETTA.

Additionally, LI is charged with selling prescriptions other than in good faith in the course of his professional practice to 20 patients, including the above named patients. A total of seven of these 20 patients ultimately died of prescription drug overdoses between January 2009 and December 2011, although the Manslaughter charges only relate to two deaths. At least eight non-fatal overdoses occurred among this group of 20 patients during the time they were seeing LI.

A licensed physician, board certified in anesthesiology and pain management, LI received specialized training in treating opioid dependence and maintained a full-time practice as an anesthesiologist at a hospital in New Jersey. Meanwhile, LI operated a weekend pain clinic, Medical Pain Management, in a basement office at 132-59 41st Road in Flushing, where patients lined up on the sidewalk beginning in the early morning and waited hours to see the doctor. Usually, LI saw more than 70 patients a day, and sometimes up to 100, on Saturdays and occasional Sundays between January 2009 and November 2011. Patients received numbered tickets at the reception desk for their turn with LI. Prominently posted office procedures required patients to pay in cash for their visits, and increased the fee when prescriptions for large dosages of narcotic prescriptions were written.

The charges are based on alleged prescribing conduct that rose to the level of criminality when LI prescribed drugs that carry substantial risks of addiction, physical harm or death, based upon inadequate examinations, documentation and verification of patient complaints, and failure to consider alternative treatments. LI turned a blind eye to obvious signs of addiction, abuse or diversion, and continued to write prescriptions for patients even when he was directly notified of non-fatal overdoses by other physicians or family members, or personally observed increasingly desperate attempts by patients to obtain medications. Additionally, LI allegedly charged fees to patients based on the number of prescriptions requested, the quantity of pills, or the patients' "early visits." Investigators also observed some of LI's patients sell their narcotic medication immediately upon filling prescriptions at a nearby pharmacy.

The new indictment supersedes an earlier 20-count indictment unsealed in November 2011, in which LI was charged with 15 counts of Criminal Sale of a Prescription for a Controlled Substance and five counts of Reckless Endangerment in the Second Degree. Those charges stemmed from LI's illegal sales of prescriptions to CORNETTA, who suffered at least two non-fatal overdoses while he was seeing LI and ultimately died of an overdose three months after the doctor discharged him. LI was released on \$100,000 bail at the time of his November 2011 arrest. His license to practice medicine in New York was suspended as a result of the charges and he has agreed not to practice medicine in New Jersey during the pendency of ongoing disciplinary proceedings.

In November 2011, investigators from Special Narcotics and BNE, NYPD detectives and agents with the DEA and the IRS conducted court-authorized searches of LI's Flushing clinic and his New Jersey home, seizing financial and medical records and computer equipment. Special Narcotics prosecutors, investigators and analysts also reviewed autopsy reports from the Medical Examiners of New York City, Nassau County and Suffolk County, as well as subpoenaed BNE data. Additionally, investigators conducted extensive surveillance in the vicinity of LI's clinic. Since the 2011 arrest, investigators have interviewed scores of witnesses, including patients, doctors, pharmacists and medical experts, and examined thousands of documents related to the care of patients in his practice.

The Bureau of Narcotic Enforcement (BNE) for the New York State Health Department and the Office of the Inspector General for the U.S. Department of Health and Human Services Office partnered in the investigation, with assistance from the NYPD's 109th Precinct and Detectives' Squad, the NYPD's Queens Narcotics Squad, the Office of National Drug Control Policy: NY/NJ HIDTA, the New York State Office of the Medicaid Inspector General, the Internal Revenue Service (IRS) and the New York Drug Enforcement

Task Force, Group T-13, which includes members of the DEA, the NYPD and the New York State Police.

Manslaughter

LI faces two counts of Manslaughter in the Second Degree for causing the fatal overdoses of patients JOSEPH HAEG, 37, and NICHOLAS RAPPOLD, 21. In both of these cases, LI allegedly failed to perform adequate examinations or verify the patients' reports of chronic pain, and ignored repeated warning signs of addiction. LI prescribed multiple controlled substances simultaneously and allowed patients to make early visits, during which he issued new prescriptions before the renewal date.

HAEG's body was found in his bedroom in East Moriches, Suffolk County, on Dec. 29, 2009 after he suffered a fatal overdose at the age of 37. LI treated HAEG from January 2009 to December 2009. The Manslaughter charge stems from LI's reckless medical treatment of HAEG, including the doctor's original failure to ascertain appropriate types or dosage levels of medication, failure to adjust medication as HAEG's condition deteriorated and failure to follow up on obvious reported medical issues. All of this led to LI prescribing dangerous levels of narcotic drugs in high-risk combination with other controlled substances.

HAEG received 15 prescriptions for controlled substances from LI within the three months leading up to his death. In the final month, HAEG visited LI twice and received prescriptions for more than 500 pills of controlled substances, including narcotics. HAEG made his last visit to the doctor three days before his body was discovered. During that visit, he received prescriptions for three controlled substances, including oxycodone, and two non-controlled substances. The cause of HAEG's death was later determined to be acute oxycodone intoxication. After the Suffolk County Medical Examiner's office informed LI of HAEG's death, LI's weekend prescription writing practice continued unchanged. LI faces one count of Manslaughter and 15 counts of Criminal Sale of a Prescription for a Controlled Substance in connection with HAEG.

RAPPOLD, who died at the age of 21, was found dead in his parked car in Queens on Sept. 14, 2010. The car's console contained a bottle of Xanax that identified LI as the prescriber, with 35 of 90 pills remaining from a prescription that had been dispensed on Sept. 11, 2010, the date of RAPPOLD's last visit to LI's office. During that visit, RAPPOLD received prescriptions for both Xanax and oxycodone from LI. The cause of death was acute intoxication by the combined effects of Xanax and oxycodone.

LI is charged with recklessly causing RAPPOLD's death. He allegedly prescribed toxic levels and combinations of prescription drugs. During the five weeks leading to RAPPOLD's death, LI saw him three times and wrote prescriptions for more than 500 pills of controlled substances, including opioids and Xanax, a potentially high-risk combination. Two visits came just six days apart when RAPPOLD claimed to have lost his monthly prescription and LI complied with his request for another month's supply.

LI faces one count of Manslaughter and seven counts of Criminal Sale of a Prescription for a Controlled Substance in connection with RAPPOLD.

Reckless Endangerment in the First Degree

LI faces three counts of Reckless Endangerment in the First Degree for demonstrating a depraved indifference to human life and recklessly engaging in conduct that created a grave risk of death to KEVIN KINGSLEY, who overdosed after leaving LI's practice, and two surviving patients. These three patients shared histories of substance abuse, some with psychiatric conditions and disabilities. LI prescribed medication for these patients despite ample notice of the medical risks that his prescriptions created for them, in some cases through other physicians' reports of near-fatal overdoses, and in other cases through desperate pleas from parents, who begged LI in vain to stop prescribing the very substances that their loved ones were abusing. Furthermore, LI insisted that one of these high-risk patients pay cash for his services, while simultaneously billing Medicare for several visits.

KEVIN KINGSLEY, a Queens resident, died of an overdose on Dec. 28, 2010, two months after his last visit to LI. He had struggled with substance abuse and told LI about his attempts to overcome addiction. Despite this information, LI continued to prescribe KINGSLEY highly-addictive narcotic drugs and Xanax

for another four months. LI faces one count of Reckless Endangerment in the First Degree and nine counts of Criminal Sale of a Prescription for a Controlled Substance in connection with his treatment of KINGSLEY.

Charges related to the two surviving patients include two counts of Reckless Endangerment in the First Degree and 27 counts of Criminal Sale of a Prescription for a Controlled Substance.

Reckless Endangerment in the Second Degree

LI faces four counts of Reckless Endangerment in the Second Degree in connection with one deceased patient, MICHAEL CORNETTA, and three surviving patients. LI is charged with recklessly engaging in conduct toward the four patients that created a substantial risk of serious physical injury.

CORNETTA, the fatal overdose victim named in the original 2011 indictment, received increasing quantities of three controlled substances from LI, despite having been hospitalized for multiple overdoses. He fatally overdosed on Nov. 11, 2010, three months after his last visit to LI. In the case of some of the surviving patients who were victims of Reckless Endangerment in the Second Degree, LI continued to prescribe to them in the face of clear evidence that they were doctor-shopping and abusing the medications. One of these surviving patients first received controlled substances from LI when she was only 19 years old.

Criminal Sale of a Prescription for a Controlled Substance

LI faces 180 counts of Criminal Sale of a Prescription for a Controlled Substance in connection with his treatment of 20 patients, with each count representing a prescription written between 2008 and 2011. After January 2009, more than 50 percent of LI's patients were under the age of 40. The charges are based on a pattern of conduct in which LI charged higher fees in exchange for granting early visits or prescribing larger quantities of pills. He also allegedly ignored evidence that patients were doctor-shopping.

In addition to the four fatal overdose patients named in the Manslaughter and Reckless Endangerment charges above, three other patients to whom LI illegal sold prescriptions for a controlled substance ultimately died. While LI is not charged with causing their deaths, LI allegedly continued to supply some of these patients with prescriptions despite knowledge that they were receiving prescriptions for controlled substances from multiple physicians, and he wrote prescriptions in dosages and combinations that were neither medically necessary nor safe for the patient.

Medicare and Insurance Schemes/False Filings to the OPMC

The indictment charges LI with one count of Scheme to Defraud in the First Degree, two counts of Grand Larceny in the Third Degree and 11 counts of Falsification of Business Records in the First Degree in connection with nine patients covered by Medicare or Empire BlueCross BlueShield. While LI's clinic was primarily a cash practice, he also received some payment from insurance. LI allegedly misrepresented services by falsifying billing codes to suggest he had spent more time with patients than he actually had and to obtain higher levels of reimbursement. He also billed for visits that never occurred and falsified dates of procedures in order to obtain additional payment from insurance. Additionally, LI deceived patients and violated his agreements with insurance companies by requiring cash payments from patients while submitting insurance claims. In some cases, he told patients he would reimburse their cash payments once he had received payment from insurance. These patients were never reimbursed. In other cases, he falsely claimed to patients that he could no longer accept Medicare benefits. In-house auditors at Medicare and Empire identified more than \$3,000 worth of fraud after each provider reviewed a subset of paid claims.

LI is charged with 16 counts of Offering a False Instrument for Filing in the First Degree in connection with eight patients. These charges relate to records LI submitted to OPMC in August 2011. LI allegedly rewrote some pages of records and altered others after receiving an official request for patient records to be reviewed in the course of a disciplinary proceeding. LI also allegedly falsely certified the altered records.

BRIDGET G. BRENNAN thanked the Queens District Attorney's Office, the Bureau of Narcotic Enforcement for the New York State Department of Health, the Office of the Inspector General for the U.S. Department of Health and Human Services, the New York City Police Department, the Internal Revenue Service, Criminal Investigation, the New York State Office of the Medicaid Inspector General the Office of National Drug Control Policy: NY/NJ HIDTA, the New York Drug Enforcement Task Force, the U.S. Drug Enforcement Administration, New York Field Division, New York, the New York City Office of the Chief Medical Examiner, the New York City Bureau of Fraud Investigation's Prescription Drug Fraud Unit, the New York City Department of Health and Mental Hygiene, the Hamilton Township Police Department, the Mercer County Prosecutor's Office and the U.S. Attorney's Office for the District of New Jersey.

"Dr. Li flouted the fundamental principle in medicine: first do no harm. He jeopardized lives by repeatedly prescribing dangerous controlled substances and narcotic drugs for cash, not medical need," said BRIDGET G. BRENNAN. "The medical community must take responsibility for policing itself and disciplining rogue doctors who abuse their prescribing privileges. Law enforcement will prosecute drug dealing doctors, but our investigations are painstaking, and lives can be destroyed in the time it takes us to do our job."

NIRAV R. SHAH, M.D., M.P.H., said, "Physicians have a responsibility to protect the health of patients and that responsibility was clearly violated by Dr. Li. New York State is taking aggressive steps to curb prescription drug abuse and will continue to work closely with City, State and federal partners to stop health care providers from using their position to illegally prescribe drugs."

"Dr. Li preyed on the community by supplying patients with illegal narcotics for cash", said TOM O'DONNELL, Special Agent in Charge of the New York Office of Inspector General of the US Department of Health and Human Services. "In essence, the government believes he was little more than a glorified drug dealer. Along with our law enforcement partners, today's indictment reaffirms our commitment to protecting public safety and taxpayer-funded health programs intended for the most vulnerable Americans."

TONI WEIRAUCH stated, "The sale of illegal prescriptions by licensed physicians is a rapidly growing problem in drug enforcement. The illegal proceeds these sales generate and the attempts to conceal them is of great interest to IRS-Criminal Investigation. We are pleased with the opportunity to work with our law enforcement partners and lend support to this important investigation."

DEFENDANT	CHARGES
Stan Xuhui Li 2/10/1954 16 Secretario Way Hamilton, NJ	Manslaughter 2 nd – 2 cts Reckless Endangerment 1 st – 3 cts Reckless Endangerment 2 nd – 4 cts Criminal Sale of a Prescription for a Controlled Substance – 180 cts Scheme to Defraud 1 st – 1 ct Grand Larceny 3 – 2 cts Falsifying Business Records 1 st – 11 cts Offering a False Instrument for Filing 1 st – 16 cts
CHARGES	MAXIMUM PENALTIES
Manslaughter 2 nd (class C felony)	5 – 15 years in prison
Reckless Endangerment 1 st (class D felony)	2 1/3 – 7 years in prison
Reckless Endangerment 2 nd (class A misdemeanor)	1 year in jail
Criminal Sale of a Prescription for a Controlled Substance (class C felony)	5 1/2 years in prison
Scheme to Defraud 1st (class E felony)	1 1/3 – 4 years in prison

Grand Larceny 3 (class D felony)	2 1/3 – 7 years in prison
Falsifying Business Records 1 st (class E felony)	1 1/3 – 4 years in prison
Offering a False Instrument for Filing 1 st (class E felony)	1 1/3 – 4 years in prison

The charges and allegations are merely accusations and the defendant is presumed innocent until proven guilty.